GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

NOVEMBER 6, 2003

TM GRAIN TRANSPORT COST INDICATORS*	Truck	Rail	Barge	Ocean Gulf	Ocean Pacific
11/05/03	99	213	154	212	294
Compared to Last Week	↓	↑	↓	↑	↓

*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

Nov. 15-19	NITL 96th Annual Meeting and Trans Comp 2003	Ft. Lauderdale, FL	703-524-5011 (ph) 703-524-5017 (fax
Nov. 19-20	National Conference for Agribusiness	West Lafayette, IL	765-494-4247 (ph)
Dec. 10-12	American Seed Trade Association (ASTA) 33rd Soybean Seed and 58th Corn and Sorghum Conferences and Seed Expo	Chicago, IL	703-837-8140 (ph) 703-837-9365 (fax)
Jan. 10-14, '04	American Farm Bureau, 85th Convention And Annual Meeting	Honolulu, HI	202-484-3600 (ph) 847-685-8600 (ph) www.fb.com
Jan. 23-27, '04	2004 Wheat Industry Conference	Atlanta, GA	202-547-7800 (ph) 202-546-2638 (fax) wheatworld@wheatworld.org
Feb. 8-10, '04	U.S. Grains Council 44th Membership Meeting	New Orleans, LA	202-789-0789 (ph) 202-898-0522 (fax) grains@grains.org
Feb. 16-18, '04	9th Annual National Ethanol Conference	Miami, FL	202-289-3835 (ph) 202-289-7519 (fax) info@ethanolifa.org
Feb. 19-20, '04	Agricultural Outlook Forum 2004	Arlington, VA	Raymond Bridge 202-720-5447 (ph) rbridge@oce.usda.gov
Mar. 2-4, ' 04	2004 Commodity Classic National Corn Growers Assoc. (NCGA) and the American Soybean Assoc. (ASA)	Las Vegas, NV	Dave Burmeister 314-576-1770 (ph) 636-733-9004 (ph) dburmeister@charter.net www.ncga.com

Report is prepared by Deen Olowolayemo, Johnny Hill, Karla Martin and Delmy Salin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov .

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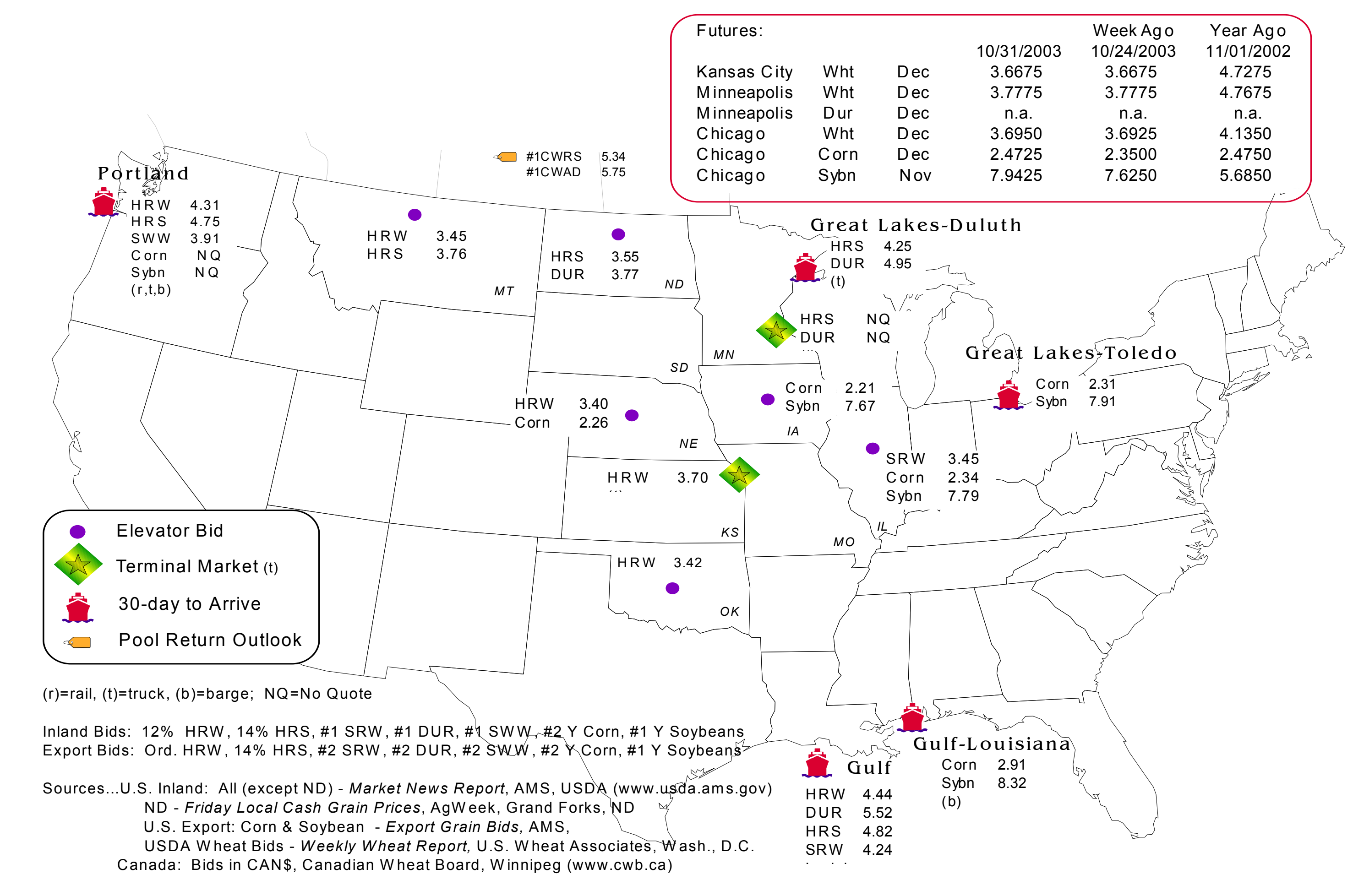
	The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Table 1-- Market update: U.S. origins to export position price spreads (per bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.57	-0.56
Corn	NE -- Gulf	-0.65	-0.61
Soybean	IA -- Gulf	-0.65	-0.65
HRW	KS -- Gulf	-0.74	-0.69
HRS	ND -- Portland	-1.20	-1.10

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1. Grain Bid Summary



RAIL TRANSPORTATION

Table 2--Rail deliveries to port (carloads)

	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
10/22/03	659	1,236	3,478	807	6,180
10/29/03	458	1,516	3,485	886	6,345
2003 YTD	13,229	69,360	119,230	13,383	215,202
2002 YTD	9,640	74,758	86,439	17,291	188,128
% 2002 YTD	137%	93%	138%	77%	114%
Total 2002	11,127	85,822	113,857	21,562	232,368
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Figure 2. Rail Deliveries to Port

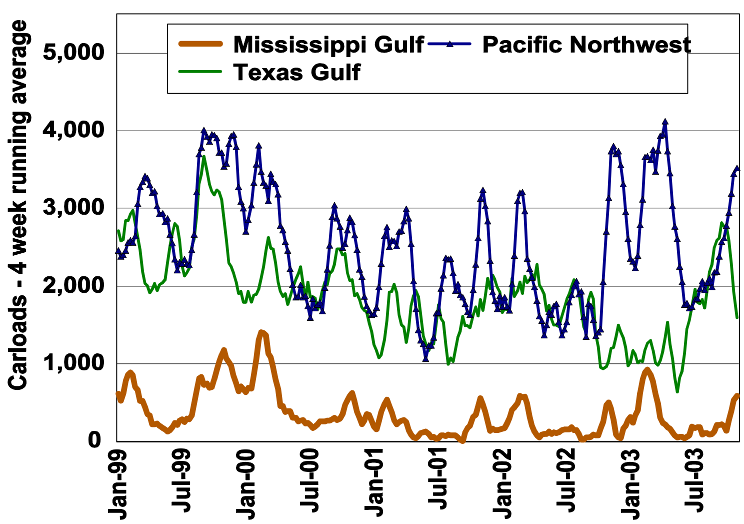
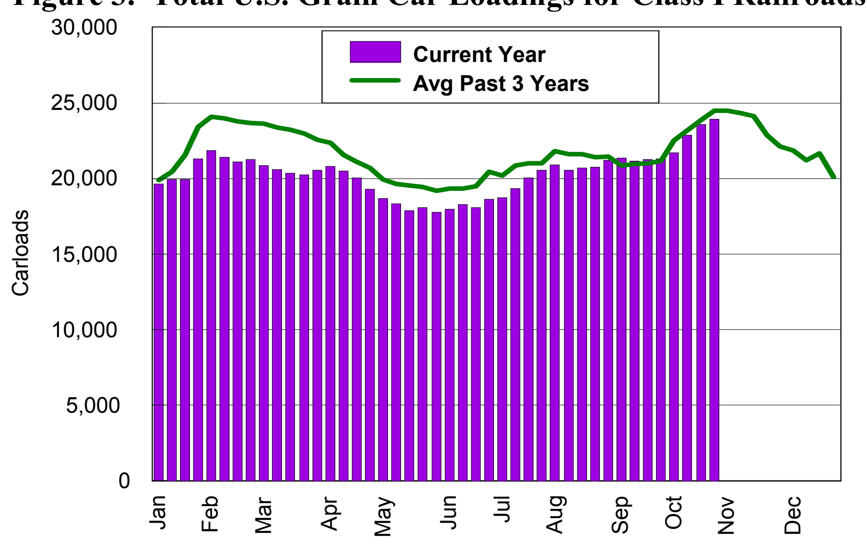


Figure 3. Total U.S. Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Table 3--Class I rail carrier grain car bulletin (Grain carloads originated)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
10/25/03	3,981	3,891	9,315	371	6,402	23,960	4,821	4,013
This Week Last Year	3,309	4,274	9,535	621	7,119	24,858	3,772	5,242
2003 YTD	117,298	138,122	329,685	18,640	280,785	884,530	155,762	157,446
2002 YTD	116,516	134,822	324,672	22,656	283,464	882,130	165,038	162,618
% 2002 YTD	101%	102%	102%	82%	99%	100%	94%	97%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
U.S. rail covered hopper cars online index*								
Oct-03	95.1	99.1	96.3	87.7	96.9	96.6		

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

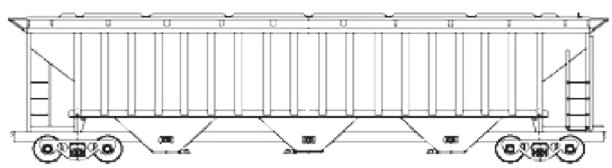


Table 4–Tariff rail rates for unit train shipments

Date effective	Commodity	Origin	Destination	Rate per car	Rate per MT	Rate/per bushel*
11/03/03	Wheat	Kansas City, MO	Galveston, TX	$1,820	$20.06	$0.55
11/03/03	Wheat	Minneapolis, MN	Portland, OR	$4,148	$45.72	$1.24
11/03/03	Wheat	St. Louis, MO	Houston, TX	$1,945	$21.44	$0.58
11/03/03	Wheat	Kansas City, MO	Laredo, TX	$2,280	$25.13	$0.68
11/03/03	Wheat	Chicago, IL	Albany, NY	$1,834	$20.22	$0.55
11/03/03	Corn	Minneapolis, MN	Portland, OR	$3,130	$34.50	$0.88
11/03/03	Corn	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.77
11/03/03	Corn	Council Bluffs, IA	Baton Rouge, LA	$2,170	$23.92	$0.61
11/03/03	Corn	Evansville, IN	Raleigh, NC	$1,886	$20.79	$0.53
11/03/03	Corn	Des Moines, IA	Laredo, TX	$2,864	$31.57	$0.80
11/03/03	Soybean	Minneapolis, MN	Portland, OR	$3,110	$34.28	$0.93
11/03/03	Soybeans	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.82
11/03/03	Soybeans	Council Bluffs, IA	Baton Rouge, LA	$2,799	$30.85	$0.84
11/03/03	Soybeans	Des Moines, IA	Laredo, TX	$2,864	$31.57	$0.86
11/03/03	Soybeans	Evansville, IN	Raleigh, NC	$1,886	$20.79	$0.57

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Table 5–Secondary rail car market,
Average premium/discount to tariff, $/car - last week

	Delivery Period			
	Dec-03	Jan-04	Feb-04	Mar-04
BNSF-GF	$135	$45	$27	$6
UP-Pool	$100	$42	$15	$8

Sources: James B. Joiner & Co.; Tradewest Brokerage Co.
: GF=Guaranteed Freight, Pool=Guaranteed Pool
Note: Bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

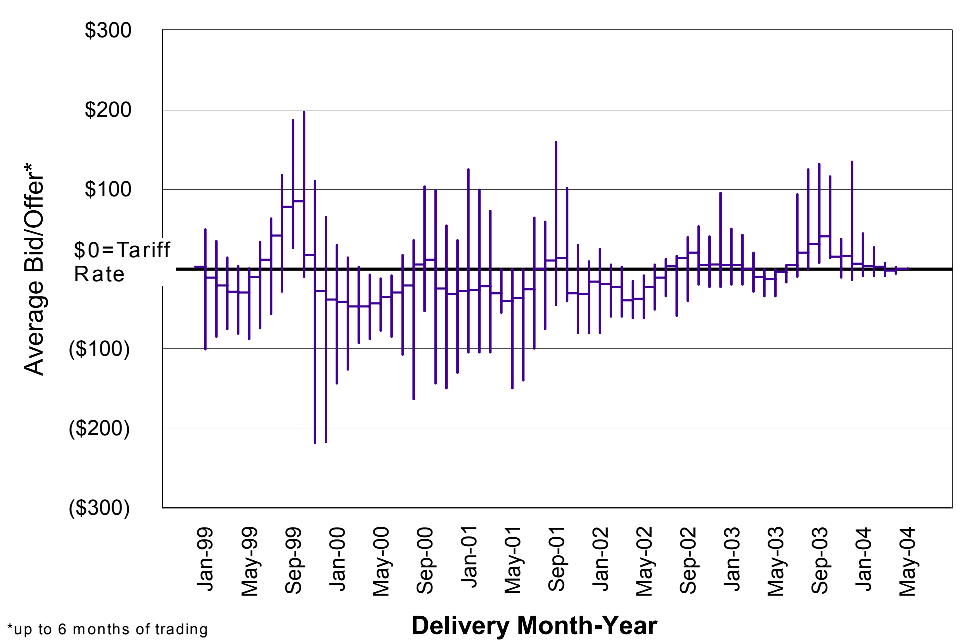
Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Table 6--Railroad car 'Auction' results
Average premium/discount to tariff, $/car - last auction

Delivery for:	Dec-03	Jan-04	Feb-04
COT/N. Grain	no bid	$10	$0
COT/S. Grain	no bid	$0	$0
GCAS/Region 1	$4	no bid	no bid
GCAS/Region 2	$49	$6	$1

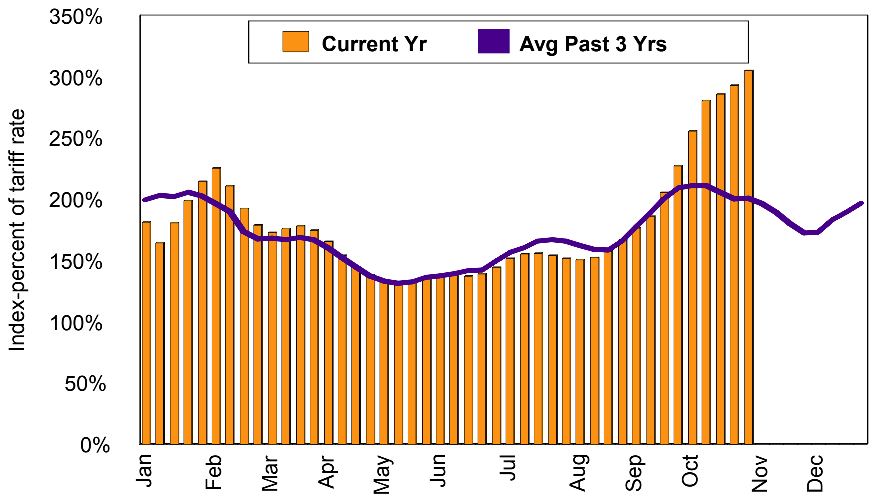
Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Figure 4. Secondary Rail Car Market



BARGE TRANSPORTATION

Figure 5. Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton: Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

Table 7-- Barge rate quotes: Southbound barge freight
Index=percent of tariff, based on 1976 tariff benchmark rate

Location	10/29/03	10/22/03	Nov '03	Jan '04
Twin Cities	324	303	309	nq
Mid-Mississippi	345	305	265	nq
Illinois River	352	304	247	212
St. Louis	350	300	230	159
Lower Ohio	335	288	226	164
Cairo-Memphis	329	277	211	148

Source: Transportation & Marketing/AMS/USDA

Table 8–Barge futures market
Southbound barge freight nominal/cash basis values
Index=percent of tariff, based on 1976 tariff benchmark rate

Week ended	River/region	Contract period	Rate futures	Rate cash
11/04/03	St. Louis	Dec.	n/a	163
		Feb.	n/a	155
		Mar.	n/a	150
		Apr.	n/a	145
		May.	n/a	145
	Illinois River	Dec.	n/a	208
		Feb.	n/a	195
		Mar.	n/a	178
		Apr.	n/a	168
		May.	n/a	158

Source: St. Louis Merchants Exchange

Figure 6. Benchmark Tariff Rates

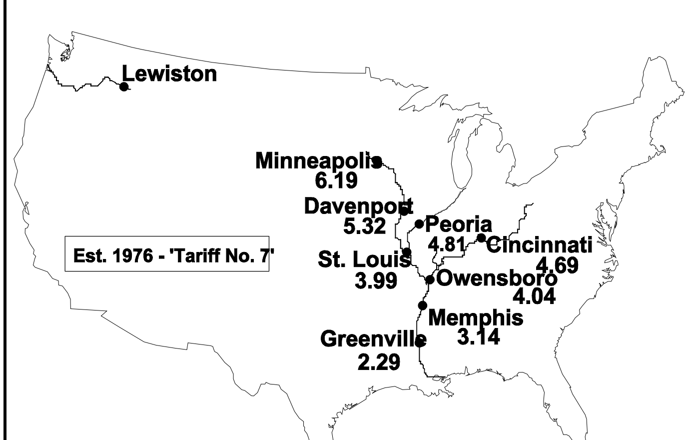


Figure 7. Barge Movements on the Mississippi River (Lock 27)

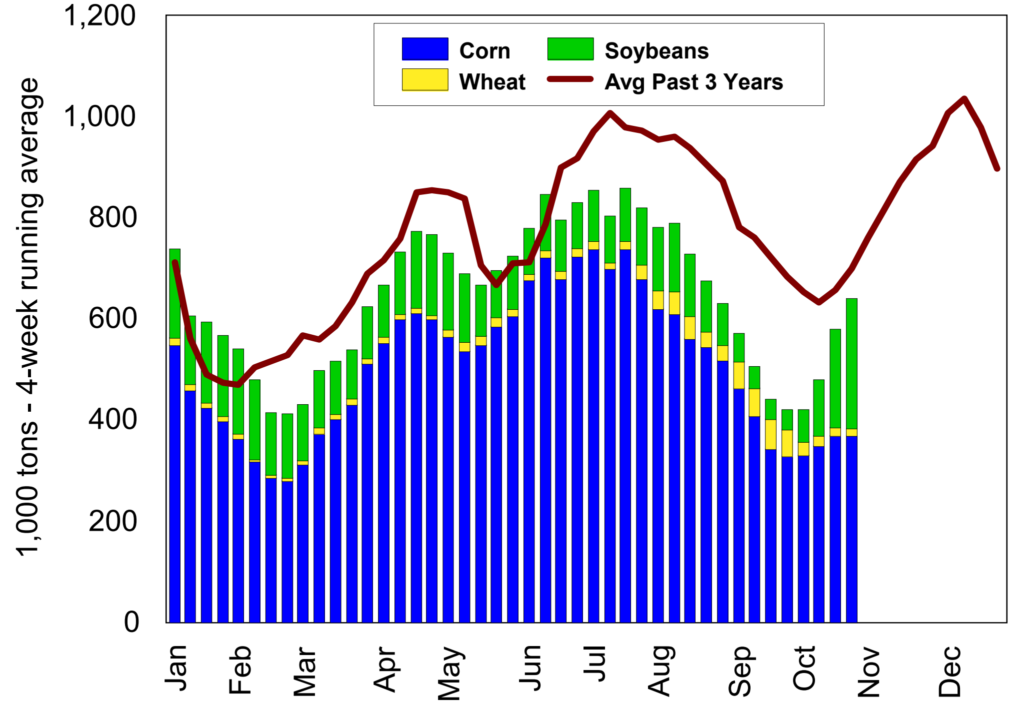


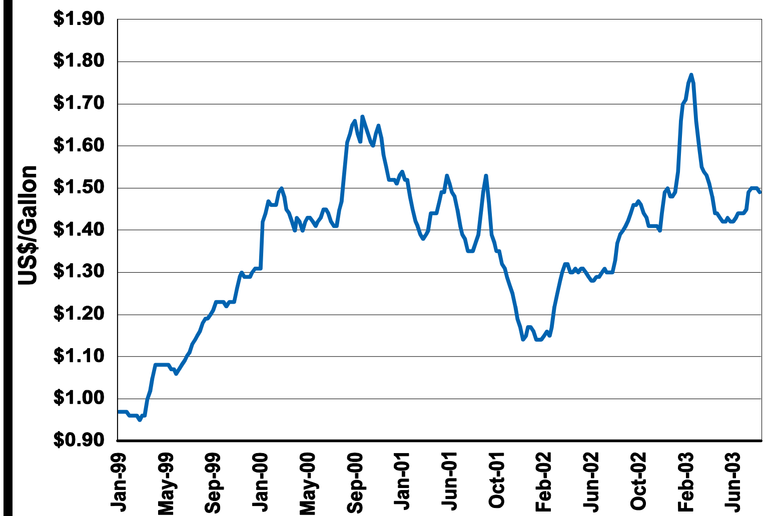
Table 9--Barge grain movements (1,000 tons)

Week ending 10/25/03	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	166	13	48	227
Winfield, MO (L25)	256	18	239	513
Alton, IL (L26)	421	18	323	771
Granite City, IL (L27)	421	18	323	771
Illinois River (L8)	100	0	66	167
Ohio River (L52)	38	0	89	129
Arkansas River (L1)	0	18	29	47
2003 YTD	23,121	2,445	6,876	33,050
2002 YTD	28,061	2,248	8,862	40,483
% 2002 YTD	82%	109%	78%	82%
2002 Total	35,066	2,590	11,634	50,810

Source: U.S. Army Corp of Engineers
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

TRUCK TRANSPORTATION

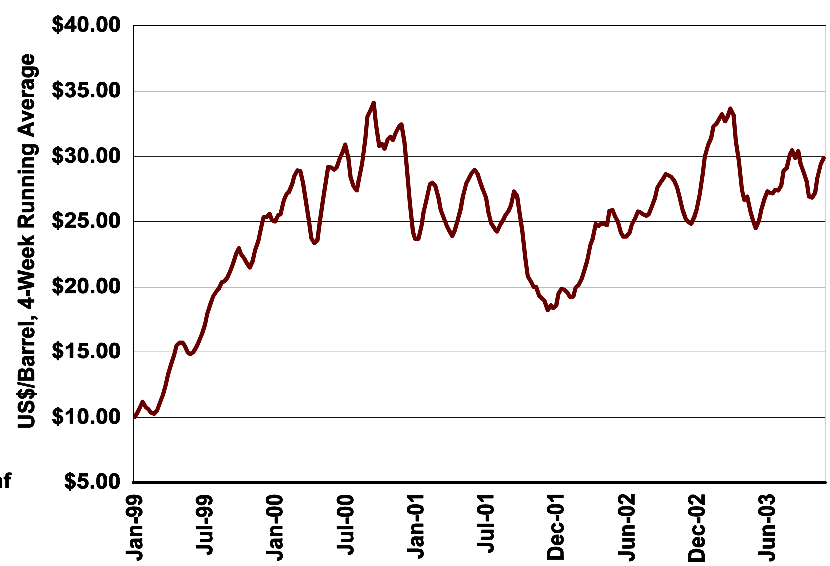
Figure 8. Weekly U.S. Retail Road Diesel Price



Source: Energy Information Administration,U.S. Department of Energy

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Figure 9. Weekly Brent Crude Price, Friday Close



Source: Energy Information Administration, U.S. Department of Energy

Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

Table 10--Crude oil prices (US$ per Barrel)-11/04/03

Type	This week	Last week	Change
Light Sweet Crude (NYMEX)	28.44	29.18	↓
Brent Crude	n/a	28.88	n/a

Source: U.S. Department of Energy, www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

GRAIN EXPORTS

Table 11--U.S. export balances (1,000 Metric Tons)

	Wheat								
Unshipped export balance	***HRW***	***SRW***	***HRS***	***SWW***	***DUR***	**All Wheat**	**Corn**	**Soybean**	**Total**
10/23/03	2,048	353	975	571	117	4,064	9,634	11,047	24,745
This Week Year Ago	1,540	691	1,582	778	169	4,758	6,973	8,357	20,088
Cumulative Exports-Crop Year									
2003/04 YTD	4,793	1,715	2,849	1,759	541	11,656	6,490	3,538	21,684
2002/03 YTD	3,471	1,166	2,876	1,494	383	9,389	5,299	3,072	17,760
% 2002/03 YTD	138%	147%	99%	118%	141%	124%	122%	115%	122%
2001/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
2000/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120

Source: Foreign Agricultural Service/USDA; YTD: Year-to-Date; Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Figure 10. U.S. Grain, Unshipped Export Balance
Includes Wheat, Corn, and Soybean Sales

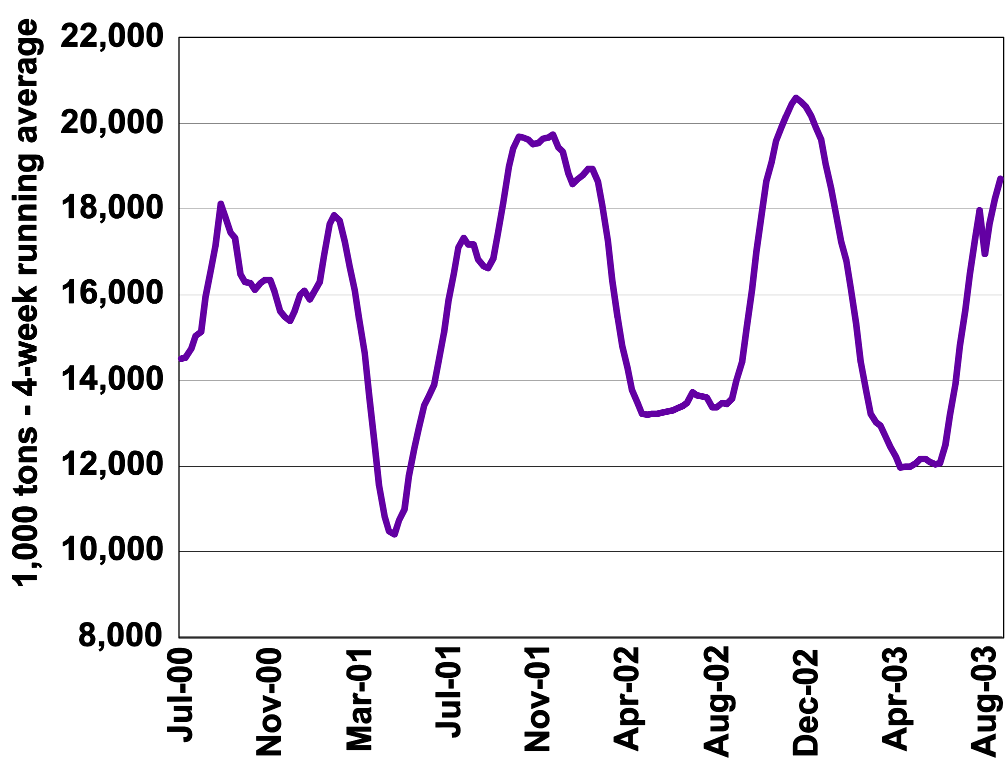
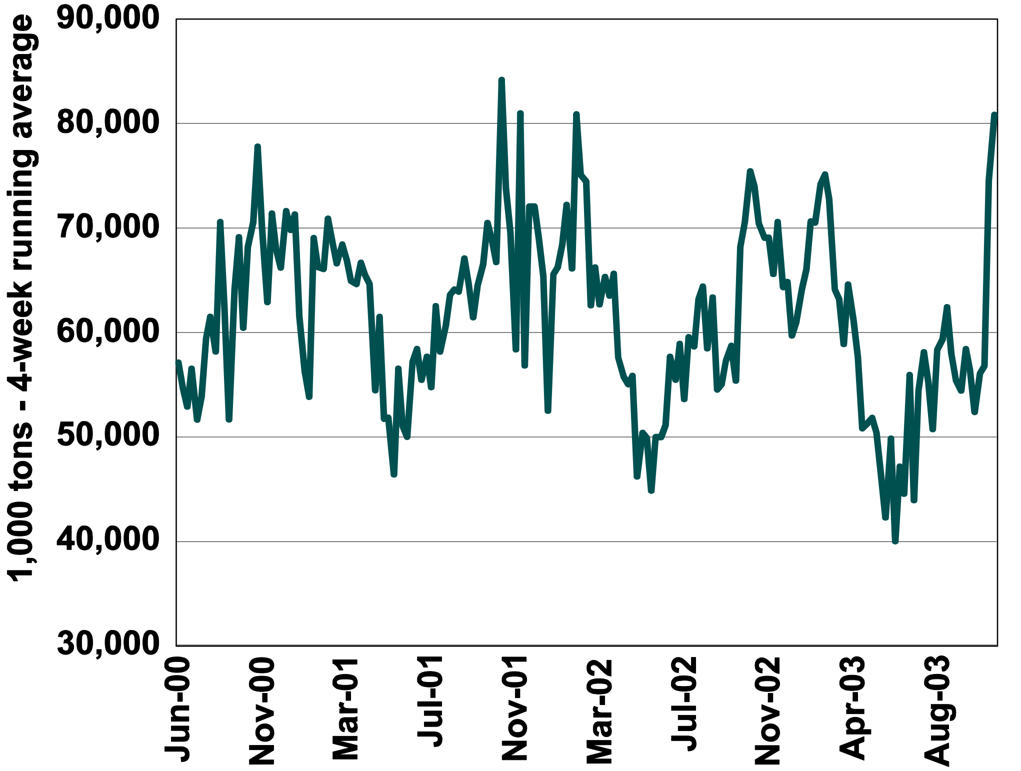


Table 12--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Date	**Pacific Region**			**Mississippi Gulf**			**Texas Gulf**			**Port Region Total**		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
10/30/03	181	113	144	137	556	946	158	21	21	437	1,640	200
2003 YTD	7,538	4,427	3,714	5,186	24,669	13,727	5,620	600	77	15,679	43,582	6,298
2002 YTD	7,604	3,084	2,318	4,851	31,344	13,621	5,053	259	365	13,005	49,816	5,677
% 2002 YTD	99%	144%	160%	107%	79%	101%	111%	231%	21%	121%	87%	111%
2002 Total	9,128	3,994	2,870	5,670	36,383	18,549	5,875	266	373	15,992	60,602	6,514

Source: Federal Grain Inspection Service YTD-Year-to-Date

Figure 11. U.S. Grain Inspected for Export
Includes Wheat, Corn, and Soybeans



The U.S. Exports Approximately One-Quarter of the Grain it Produces. On average, it includes nearly 45% of U.S. grown wheat, 35% of U.S. grown soybeans, and 20% of the U.S. grown corn.

Over 60% of these U.S. export grain shipments departed through Louisiana Gulf region in 2002.

Figure 12. Gulf Port Grain Vessel Loading
Past 7 Days

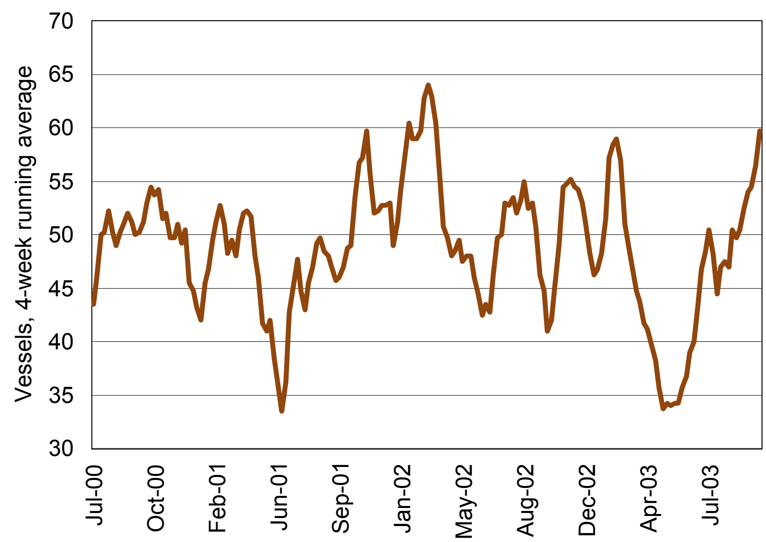


Table 13--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
10/23/03	40	61	84	11	12
10/30/03	28	66	84	7	2
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing/AMS/ USDA

Table 14--Quarterly ocean freight rates (average rates & percentage changes, U.S. dollars/metric ton)

	2003 3rd Qtr	2002 3rd Qtr	Change %		2003 3rd Qtr	2002 3rd Qtr	Change %
Gulf to				**Pacific NW to**			
Japan	$33.83	$19.54	73%	Japan	-	$11.57	-
Mexico	-	$7.25	-	Taiwan	$19.50	$11.21	73%
Taiwan	$33.00	-	-				
N. Europe	$22.88	-	-	**Argentina/Brazil to**			
N. Africa	$25.50	$13.50	89%	Med. Sea	$33.38	$19.93	67%
Med. Sea	$24.88	$11.92	109%	N. Europe	$22.50	$18.65	21%
				China	$34.75	-	-

Source: Transportation & Marketing/AMS/USDA

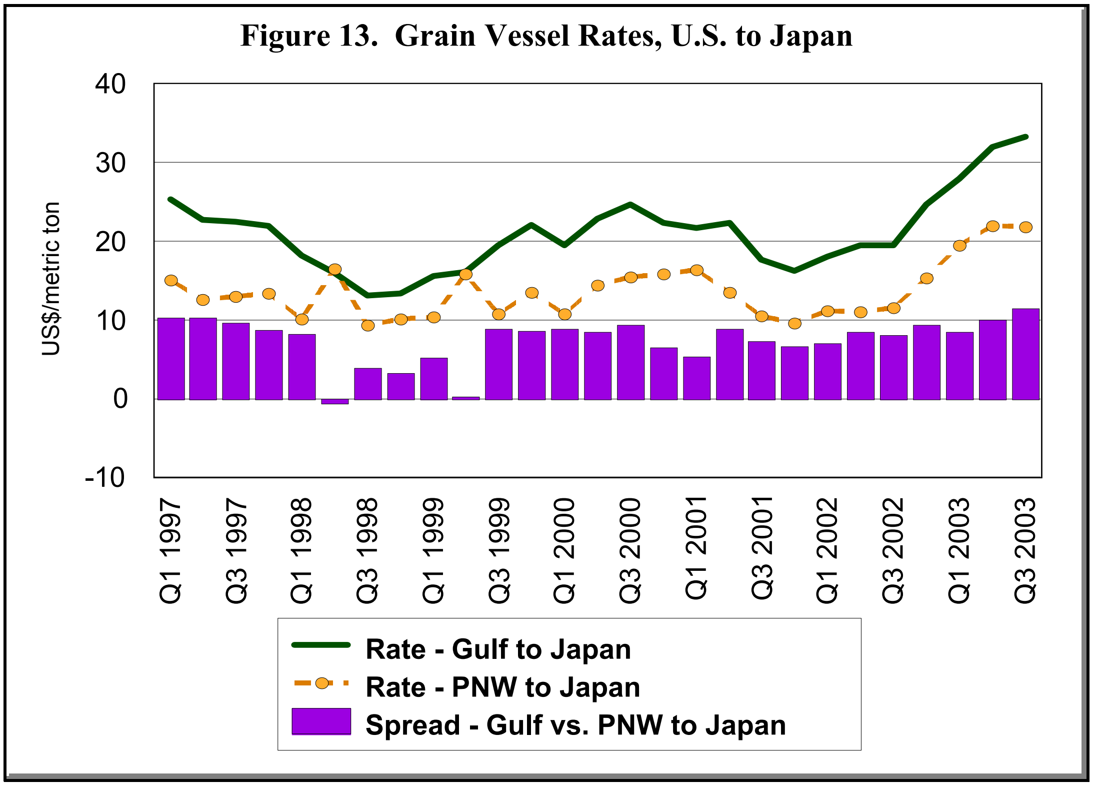


Table 15--Ocean freight rates for selected shipments
Week Ending 11/01/03

Export region	Import region	Grain	Month	Volume loaded (Tons)	Freight rate ($/ton)
U.S. Gulf	Adriatic	Hvy Grain	Oct 28/31	36,000	$28.50
U.S. Gulf	Angola	Corn	Nov 6/12	20,000	$59.75*
U.S. Gulf	Taiwan	Hvy Grain	Nov 5/18	44,000/46,000	$44.00
U.S. Gulf	Japan	Hvy Grain	Nov 1/10	42,000/44,000	$38.80
U.S. Gulf	Japan	Hvy Grain	Oct 20/30	54,000	$37.00
U.S. Gulf	China	Hvy Grain	Oct 25/Nov 5	55,000	$45.00
PNW	Beirut	Wheat	Nov 7/17	10,000	$90.36*

Source: Maritime Research Inc.
Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

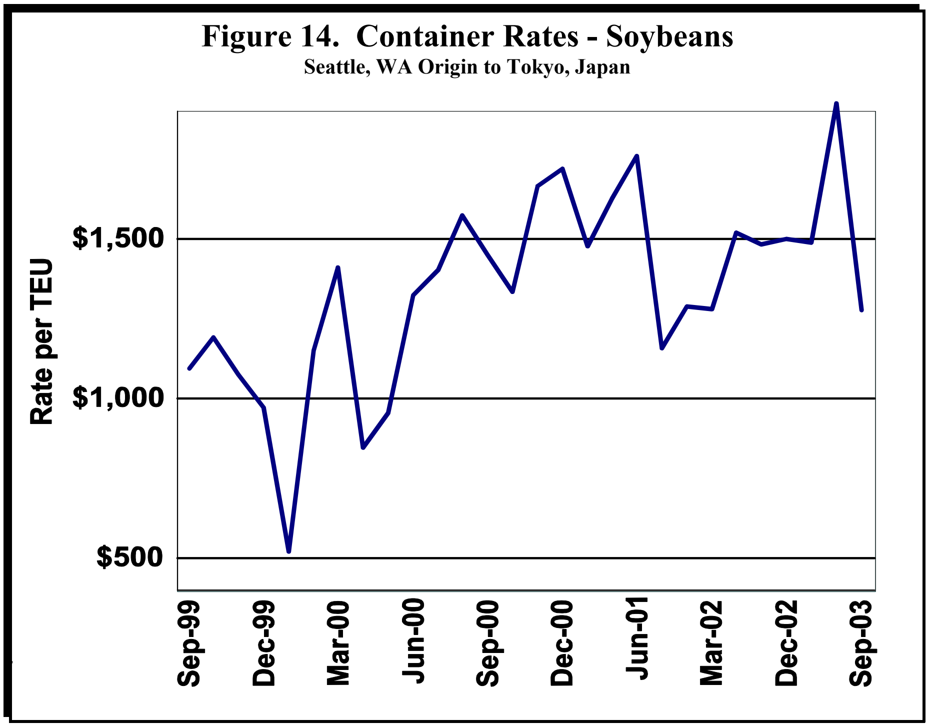
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates

Average rate per twenty-equivalent-unit (TEU), weighed by shipping line market share

Source: Transportation & Marketing/AMS/USDA, Quarterly Updates



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.